



# Federal Energy Regulatory Commission

## SOUTHEAST MARKET PIPELINES PROJECT PROJECT UPDATE

August 2014

The purpose of this mailing is to provide an update on the Federal Energy Regulatory Commission's (FERC) environmental review of the planned Southeast Market Pipelines (SMP) Project.

The SMP Project is comprised of three separate, but connected, interstate natural gas transmission pipeline projects: Sabal Trail Transmission, LLC's (Sabal Trail) Sabal Trail Project; Florida Southeast Connection, LLC's (FSC) Florida Southeast Connection Project (FSC Project); and Transcontinental Gas Pipe Line Company, LLC's (Transco) Hillabee Expansion Project. Collectively, these companies plan to construct and operate over 650 miles of natural gas transmission pipeline and associated facilities.



### PROPOSED FACILITIES

Sabal Trail plans to construct and operate approximately 460 miles of 36-inch-diameter natural gas transmission pipeline beginning in Alabama and ending in Florida. Sabal Trail also plans to construct and operate approximately 14 miles of 36-inch-diameter natural gas transmission pipeline (Hunters Creek Line) and approximately 24 miles of 24-inch-diameter natural gas transmission pipeline (Citrus County Line) in Florida. Sabal Trail would also construct and operate one new compressor station in Alabama; one new compressor station in Georgia; and three new compressor stations in Florida. Lastly, Sabal Trail plans to construct a natural gas hub in Osceola County, Florida. A natural gas hub provides customers with receipt/delivery access to two or more interstate pipeline systems, provides transportation between these points, and offers other administrative services that facilitate the movement of natural gas.

FSC plans to construct and operate approximately 126 miles of 36-inch-diameter natural gas transmission pipeline in Florida, beginning at Sabal Trail's natural gas hub and extending to the Florida Power & Light Company's (FPL) Martin Clean Energy Center.

Transco plans to construct and operate approximately 43.6 miles of 42- and 48-inch-diameter natural gas pipeline in eight segments in Alabama. The Hillabee Expansion Project would also include one new compressor station and additional compression/modifications at three existing compressor stations.



## THE FERC ENVIRONMENTAL REVIEW PROCESS

The FERC is the lead federal agency responsible for conducting the environmental review of the SMP Project. In compliance with the National Environmental Policy Act and other laws and regulations; and in cooperation with other federal, state, and local regulatory agencies, FERC staff is planning to prepare an environmental impact statement (EIS). This EIS would identify and describe potentially affected lands and resources, disclose the potential impacts on these resources, and as appropriate describe any avoidance, minimization, and mitigation measures it believes are necessary to reduce the potential impacts of the SMP Project.

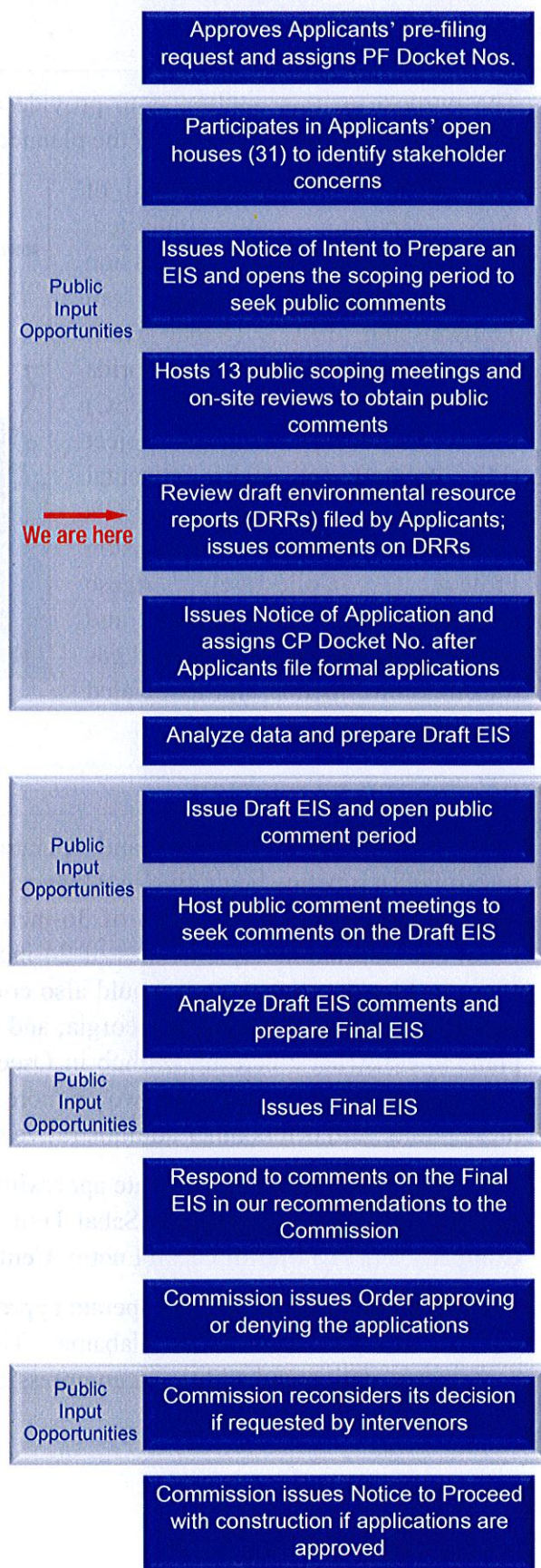
Between November 2013 and January 2014, FERC staff attended 31 applicant-sponsored "Open Houses" in Alabama, Georgia, and Florida. In addition to a 60-day public comment period, staff held 13 public meetings to receive comments on the project. To date, the Commission has received over 250 comment letters regarding the project.

Sabal Trail, FSC, and Transco have all filed draft resource reports. Resource reports inform the FERC, other agencies, affected landowners, and other stakeholders about the proposed facilities and construction methods; the existing environment in the SMP Project area; environmental impacts of the SMP Project; measures to avoid or reduce impacts; safety and operational procedures; and alternatives considered. Resource reports must be included in any application to the Commission.

FERC staff is in the process of reviewing the draft resource reports, which are composed of several volumes and thousands of pages of information, and has begun issuing comments on these reports. As of mid-August, FERC staff has issued over 100 comments on the draft resource reports and expects to issue many more. These comments are available for review in the Commission's publicly accessible administrative record.

FSC anticipates filing its application with the FERC in late September 2014. Sabal Trail and Transco anticipate filing their applications in late October 2014. Following receipt and review of all 3 applications, FERC staff will begin preparing its draft EIS for the SMP Project. The draft EIS will be issued for public review and comment.

### FERC's Environmental Review Process





## **ISSUES IDENTIFIED TO DATE**

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As indicated previously, the Commission has received over 250 comment letters about the SMP Project. These letters have come from potentially affected landowners, concerned citizens, federal and state regulatory agencies, municipal governments, elected officials, non-governmental organizations, and other interested parties. In addition to these letters, about 200 individuals provided comments at the 13 public meetings held in March 2014. FERC staff has reviewed each comment letter and the transcripts of each the public meeting to identify the environmental concerns that should be addressed through the environmental review process. A general list of these concerns and brief discussions of some of the more frequently identified concerns are provided below.

### **General Concerns**

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- Purpose and need
- Impact on sensitive groundwater, springs, surface waters, and wetlands
- Pipeline integrity through karst areas
- Impact on wildlife, including threatened and endangered species
- Impact on vegetation, including forested areas and agricultural land
- Impact on recreational and natural areas
- Impact on cultural resources
- Impact on residences and residential property values
- Economic benefits
- Public health and safety
- Impact on air quality and noise
- Cumulative and induced impacts
- Project and route alternatives
- Connection to gas production and potential liquefied natural gas export

### **Purpose and Need/Natural Gas Export**

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Numerous comments question the need for the natural gas that would be transported by the SMP Project. Others are concerned that the natural gas transported through the SMP Project would be exported as liquefied natural gas.

As indicated by the applicants in their draft resource reports, the SMP Project was developed in response to a request by FPL for additional natural gas pipeline capacity in Florida to serve its electric generation needs; a need that was also recognized by the Florida Public Service Commission. FPL has entered into long-term agreements for a substantial portion of the natural gas capacity that the SMP Project would provide, and has stated that it has no intention of exporting natural gas. The SMP Project would also provide natural gas to a planned Duke Energy facility in Citrus County, Florida. The applicants continue to seek additional customers in the SMP Project area. The applicants also assert that the SMP Project would improve the reliability of the natural gas system in Florida by providing access to natural gas from a range of onshore domestic reserves, including shale formations, and by providing a third interstate natural gas transmission system into the state.

The Commission will consider the applicants' stated purpose and need, other information, and stakeholder comments in determining whether the SMP Project would be in the public convenience and necessity.



## **Karst Geology and Water Resources**

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Numerous comments expressed concern about the SMP Project's potential impacts on sensitive groundwater, surface water, and springs associated with karst terrain in southern Georgia and Florida. FERC staff has met with affected landowners and other stakeholders in these areas and has consulted with the Florida Geological Survey and other agencies concerning these important resources. In its comments on the draft resource reports, FERC staff has indicated that the applicants should detail existing geologic and hydrogeologic conditions in these areas; assess potential impacts from construction and operation of the SMP Project on sensitive resources; provide detailed construction and mitigation plans to avoid or minimize resource impacts; evaluate pipeline integrity concerns; and consider route alternatives in some areas.

FERC staff recognizes the importance of these resources to stakeholders in the region and will independently evaluate all information provided by the applicants. FERC staff will also continue to consult with state and local agencies, and encourage continued input from stakeholders regarding this issue.

## **Alternatives**

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The Commission received dozens of comments recommending major and minor route alternatives and other comments recommending that alternative sources of energy, including solar power, be utilized to meet energy demand. FERC staff is evaluating all viable alternatives, has conducted aerial, desktop, and ground-based reviews, and met with numerous potentially affected landowners, concerned citizens and local government agencies to learn more about suggested alternatives. The applicants continue to evaluate their respective projects and planned routes, and have implemented changes based on their review and input received from the public.

## **STAYING INFORMED**

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The Commission's administrative record is accessible online using the eLibrary at [www.ferc.gov](http://www.ferc.gov). For assistance with eLibrary, please contact FERC Online Support via email at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or by phone, toll free at 1-866-208-3676.

### **Sabal Trail Project (FERC Docket No. PF14-1-000)**

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Online: [www.sabaltrailtransmission.com](http://www.sabaltrailtransmission.com)

Phone: (888) 596-7732

### **Florida Southeast Connection Project (FERC Docket No. PF14-2-000)**

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Online: [www.floridasoutheastconnection.com](http://www.floridasoutheastconnection.com)

Phone: (855) 327-2660

### **Hillabee Expansion Project (FERC Docket No. PF14-6-000)**

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Online: [www.williams.com/hillabee](http://www.williams.com/hillabee)

Phone: (866) 455-9103

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